

AmeriCorps Rulemaking Session

Public Meeting
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Chicago, IL

PROCEEDINGS

Ms. Van Der Veer: Jessamyn, you are first.

Ms. Luiz: As she said, my name is Jessamyn Luiz, and I am with Jump Start. Jump Start is an early childhood literacy program serving more than 50 communities nationwide. Our mission is to engage young people in service to work for the day every child in America enters school prepared to succeed.

We have been an AmeriCorps program since '97. We currently have 2,100 minimum time and quarter-time members serving throughout the nation and 120 here in Illinois. Jump Start has been lauded for our ability to replicate at a rate of 30 percent or more per year, while consistently improving quality and using metrics and evaluation to guide our work.

First of all, I would like to applaud the Corporation's efforts to streamline the grant application and continuation process. It's exciting to see that we may have some time to enable us to focus more on operating a strong program.

My second comment is about the set-aside for new programs. We feel that competition is the best way to get the best programs in the national service field, and the set-aside weekend competition ultimately will impact national service. If included, we recommend that there is a cap put on the set-aside for new programs.

We also have comments on asking new grants -- new grantees to start at the legal applicant rate. Successful AmeriCorps programs that have received funding for a number of years will have their growth limited by this, and potential partners and current partners may be deterred, and that will, of course, significantly impact our mission, which is dependent upon growth.

We also would like you to consider the impact of the rule on programs of both part-time and full-time members. A number of items in the rules refer to per member requirements, and because part-time programs often have a higher number of members, this makes the requirements unrealistic in some cases. So we advocate for basing the requirements on per FTE.

Last, but not least, I would like to speak about the evaluation requirements for programs with greater than \$500,000 in funding. I think it unfairly burdens large programs and will increase the cost per FTE, which makes us less competitive in the grant application and continuation process. Thank you.

Ms. Van Der Veer: Thank you, Jessamyn.

David, do you have any questions?

Mr. Eisner: Just a couple. This is in addition to comments that you are going to submit?

Ms. Luiz: Yes.

Mr. Eisner: So are you able to identify what -- for the set-aside for competition that you said if we do that it should be capped, do you have a recommended cap?

Ms. Luiz: I don't have a recommended cap at this point.

Mr. Eisner: You noted that some of the requirements may have different impacts on part-time and full-time. If you are able to articulate the ones that particularly worry you if they are applied against part-time, that would be helpful.

Ms. Luiz: The one I can think of that's in the rule is the member fund-raising requirement, or the ability for members to fund raise, and that, of course, would affect part-time programs significantly, because members have much less time for which they can fund raise.

There are some questions about whether, you know, it's ten percent that they can use for fund-raising based on their 80 percent direct service or if it's 10 percent overall.

Mr. Eisner: Do you have a preference?

Ms. Luiz: I would think 10 percent overall would be better.

Mr. Eisner: And just a footnote. When asking -- overall we found in these meetings when asking a question for clarification, it's helpful for our purposes to hear how you would like the clarification to come out. It could be read two ways; not just asking us to clarify, but to tell us which of those two ways or three ways you rather know, and then - that's it. Thank you.

Ms. Van Der Veer: Okay. Thank you, Jessamyn. Anabela, you are next.

Ms. Shaughnessy: I am Anabela Shaughnessy. I am the director of the volunteer teaching corps with the Inner-City Teaching Corps, a non-profit education organization. It's based here in Chicago. We actually began in 1991, and we are in our sixth year with the AmeriCorps ED Award Program. We have currently 43 members who are part of our program teaching in inner-city schools in the south and west sides of Chicago as full-time members. We have placed over 200 volunteer corps members in Chicago to date and have taught nearly 23,000 children in the City of Chicago and served each year approximately 30 schools that are in underserved areas.

ICTC teachers have enhanced their own academic background by participating in our programs and being able to go through our comprehensive and ongoing alternative teacher certification program that's administered through the ICTC staff and Northwestern University partnership. They are here to collaborate and learn from experienced faculty and they form partnerships with mentor teachers and leave us

sustaining energy at the school and remain at the school many times in teaching positions, and they are committed to working with extracurricular programs and have initiated various athletic teams, drama clubs, tutoring programs, school newspapers and more.

So the impact that the school has had and the benefit of the presence of ICTC volunteers in the communities has been extensive here. Eighty-eight percent of our corps members attended top ranked colleges and universities. Thirty-three colleges and universities were represented in the last academic year; 29 from outside of Illinois, and 94 percent of the corps members successfully completed their training program with the help of AmeriCorps ED Awards.

What I would like to make comments towards is essentially the impact of the 50 percent match requirements for the program. We are part of a national service movement towards

education in underserved communities, and we are part of CNCS network of programs nationally that provides service in underserved, low-income communities especially, and that would be a struggle for us.

As a part of that network, we are a smaller program, but it's a struggle to raise funds, and it would divert our resources and staff to be able to spend the time fund-raising, and that would -- of course the time would increase significantly, but we would potentially not be able to offer that type of training that we are currently able to offer to the corps members either eliminating or scaling back that considerably. It's approximately \$120,000 worth of our budget. We would be unable to also expand our recruiting efforts to get more corps members. We do recruit nationally, and the increase of the cost per member would implicate our ability to expand and replicate our program within the City of Chicago and then nationally hopefully.

So those are the main comments that I would like to offer, and I do appreciate the time to be able to share them with you.

Ms. Van Der Veer: Thank you.

Mr. Eisner: Thank you. I want to make sure I understand the 120,000 reference. Is that the staffing costs that currently goes against other things that you would have to put into fund-raising, or is that the amount that you would have to raise?

Ms. Shaughnessy: The amount that we would have to raise at a minimum.

Mr. Eisner: And is that the incremental new amount, or is that the total amount after you get the --

Ms. Shaughnessy: That would be the total new, I think.

Mr. Eisner: So from where you are now to what you would have to do?

Ms. Shaughnessy: Correct. I think that I am understanding correctly.

Mr. Eisner: That's the difference. Thank you.

Ms. Van Der Veer: Okay. So, Kathy, you are the next speaker, please.

Ms. Jamison: And, actually, I am not Kathy. Kathy decided that Nancy Jamison would provide this. It's an easier name to say. So I got the opportunity.

Ms. Van Der Veer: Well, thank you for being here, Nancy, and representing Kathy so very well.

Ms. Jamison: We will see. I represent an RSVP program in West Central Illinois. We are 32-years old. We have five counties, 700 volunteers serving about 125,000 hours of service a year. I have been the director for 27 years. I am speaking on behalf of the Illinois Association of RSVP Directors.

I appreciate the opportunity to offer comments on the rules for AmeriCorps National Service Programs and clarification of the corporation's requirements for the programs as proposed by the Corporation for National and Community Service in the Federal Register on August 13, 2004. Our association believes that there are a number of provisions that have potential to undermine the quality of AmeriCorps programs and change the nature of national service.

In particular, our association is concerned with the rules allowing the state commissions on national service to serve as grantees for all national service programs except AmeriCorps.

State Commissions Directly Operating Programs 2520.80J. The rule change allows state commissions on national service funded through HUD VA appropriations and authorized through the National and Community Service Trust Act to serve as grantee for the programs funded through labor HHS-related agencies and authorized by the Domestic Volunteer Service Act. This is currently prevented by regulations that prohibit state commissions from serving as grantees for any national service program.

The proposed rule allows the mixing of DVSA funds appropriated through labor HHS-related agencies which fund VISTA, the foster grandparent program, RSVP, and the senior companion program with funds appropriated through HUD VA. This is already happening in violation of current regulations causing concern as to how the grant can be affectively monitored for fiscal and problematic compliance.

Under the new rules state commissions will have an unfair advantage over other potential sponsors in competition for new funds for other national service programs because of the close relationship that the state commission and the CNS state office might have. In addition, the organizational affiliations of individual commissioners could provide further conflicts of interest that may unfairly influence the grant competition. State commissions are not organizationally designed to run programs. It is likely -- this is likely why the current regulation exists in the first place. They are organized to award grants and monitor AmeriCorps programs whose members and grantees change on a regular basis.

National Service Corps program volunteers may serve many years until they are no longer physically able to do so. NSSC programs are meant to become integral and long-lived parts of local communities under the same sponsoring organization grantee as long as the grantee continues to operate the program within existing law and regulation. State commission leadership, executive directors, and state commission members are appointed by governors and change every time the governor changes. State

commissions are designed to be grant-making and monitoring organizations for a entirely different kind of program, AmeriCorps. Their structure and functions do not allow them to be effective operators of NSSC programs.

NSSC programs operated by state commissions would be faced with an ever changing administrative component, which would destabilize the programs themselves by providing inconsistent administration that would seriously jeopardize NSSE's problematic and fiscal accountability, an area that has seldom been questioned.

It is likely that Congress's original attempt was that state commissions would not operate any programs. Since the regulations were put together immediately after the law was enacted, the current regulations prohibit this. These regulations were designed to interpret and clarify the law itself and congressional intent on those proposed regulations reverses that intent. The proposed regulation does not limit the funds for which state commissions may compete. It does not prohibit state commissions from competing for existing grants should those grants be recompeteted. Most state commissions are located in state capitals or other large population centers that are already served by NSSE programs allowing state commissions to operate programs in an area in which the commission office is located and could route that rural or other communities currently served by NSSE programs with the opportunity to meet the needs of their communities. Thank you.

Ms. Van Der Veer: I didn't get it up there, Nancy.

Mr. Eisner: You will be able to submit the rest.

Ms. Jamison: This is already submitted in writing, yes.

Ms. Van Der Veer: That's great.

Mr. Eisner: Terrific. You said that the mixing of DVSA and NCSA funding is already happening in violation of the existing regulations.

Ms. Jamison: Through the Homeland Security Grant.

Mr. Eisner: So -- okay. Thank you.

Ms. Van Der Veer: Okay. Thank you to this panel of speakers, and we will call --

Mr. Eisner: You know, I am sorry. Jessamyn, I will ask you one more question. You mentioned the challenge of the evaluation burden.

Ms. Luiz: Yes.

Mr. Eisner: And I wanted to know whether what you were saying is that -- are you saying that any requirement -- you know, this requirement would go for organizations that over five years get \$2.5 million. Are you saying that any evaluation requirement for those large grantees is inappropriate, or are you saying that the way that we made this evaluation requirement was a new burden on the organizations?

Ms. Luiz: I don't think that any evaluation requirement would be a burden. I think that it needs to be a standard evaluation for both small and large programs. So that if it's standardized, that it affects everybody equally.

Mr. Eisner: So you are saying that we could have an evaluation requirement, but that we should likewise require smaller organizations to have evaluations?

Ms. Luiz: Yes.

Mr. Eisner: Thank you.

Ms. Van Der Veer: Okay. Thank you, Jessamyn. Tom Devine, John White and Peter Pickus, could you please come to the table up here to our left. Okay. Tom, you are first. Could you please state your name and organization for the record.

Mr. Devine: I'm Tom Devine, and I am from the Wisconsin State Commission. The first area of concern that I have is in regards to the requirement of sustainability plans for state commissions. It's a redundant process. State commissions already have the authority to have more comprehensive sustainability plans than the minimum requirements of the corporation, and I believe that it will move state commissions to the new basic requirements rather than commissions taking the initiatives to move forward in the sustainability area.

A second area of concern that I have is through the rule-making process we haven't addressed some general standards of what it is the corporation is looking for, and I am talking about performance indicators. I am talking about the enrollment rates, the retention rates, accurate reporting. It's all of the stuff that is in the guidance, but we never know how it is used, when it is going to be applied, and whether it's uniformly applied from the field's perspective. I think that it creates some areas of disincentives for some programs because of the unclarity.

I also have a concern with the grant's cycle in the area where it can roll, and I am sure what -- how it will be applied from the Federal level, whether each competitive applicant will now have its own contract number with the corporation. At the present time the Commission gives a contract number. Are we going to force all programs to remain open until that last program closes, which in my mind places the first program closing in risk for longer periods of time? We just don't have a sense of how it would apply.

Wisconsin at the present time would say that it's not a good idea from the standpoint that it would require management of multiple contracts over periods of time unless, of course, the CNNS wants to be generous and increase the amount of money to state commissions so that we could adequately manage those. It's just a suggestion.

The Federal -- when we get into the match issues -- and I don't know whether we flushed things out real well or not. I have been around for eight years, and I know that the corporation and the Federal government wants to have the full picture of the funding supporting the operations of programs in the field, and yet there is disincentives that are in place for a program to give all of the information to the corporation, and somehow the corporation needs to get beyond -- and what I saw in their term limits increasing match

is, I believe, a punitive approach rather than moving in a direction of creating incentives for programs to provide the information.

A local program director has an obligation to manage their program's risk. The Federal government does not have the right to attempt to force them into risk situations, into situations that move them away from sustainability opportunities because they make commitments to the corporation. So I am looking at a program that may have some funding that's now going to be required as match to the corporation, which means that it can't be used for match elsewhere. I believe that three or four years ago we had discussions at the national level in regards to the CNS share, the match share and a cost share, and somehow the cost share had less restraints placed upon it in regards to auditing, and unless we move to that type of incentive base, I don't believe the CNS will ever get the full picture of what is going in to make this program operate. Thanks.

Ms. Van Der Veer: Thank you, Tom. Questions for Tom, David?

Mr. Eisner: Well, first, I want to make sure that I understood the comment that you said, the Federal government does not have the right to force the programs to do reallocation. I will take that comment to mean that you mean that you think it's not advisable? You are not saying that there is some legal obligation or right for notification?

Mr. Devine: Right. Correct.

Mr. Eisner: On the grant's cycle, did I hear you that if we -- I want to make sure that I am not putting words in your mouth. I am taking your comments to say that we need to -- if we do rolling, we should do it in such a way that we are not keeping the whole cycle open and that we are somehow time limiting the management piece for the commission, and if we -- and I think what I heard you say it was only that you have those implementation challenges. I didn't hear you articulate any strategic challenges. So that if we can manage those implementation hurdles, you don't have further objection with doing the rolling application on the AB side?

Mr. Devine: That is correct. I think that the issue that I am attempting to tool -- one is that you increase the risk for the program that got done first as long as you keep it under one grant award, and that wouldn't be fair to those folks.

The other is we move into a scenario where state commissions are asked to manage more program operations at a given time. You could have two carryovers, all of your new going and perhaps even carryovers from the next. So I think that that balancing of what the management is going to be -- and I am looking at the reporting requirements that go along with that. We have to report on that open grant plus the existing. So it just compounds and complicates what will be done at the state level.

Mr. Eisner: Thank you. Thank you.

Ms. Van Der Veer: John, you are next.

Mr. White: My name is John White. I am the executive director of Teach for America in Chicago. Teach for America is a national corps of outstanding recent college graduates who commit to teach in our nation's most underresourced school districts. We have

currently over 3,000 corps members across the country, and roughly 12,000 alumni of our program. Excuse me. 3,000 corps members across the country, 12,000 alumni across the country, and we have nearly 150 teachers teaching in Chicago as well as 300 alumni in the Chicagoland area working as part of our movement to end educational inequity through leadership across all sectors.

Now, we do that in Chicago, of course, very much through the national grant from AmeriCorps, and in Chicago that grant enables our corps members both to pay back loans and thus insures that we have a diverse corps also to pay for certification costs mandated by "No Child Left Behind," and to insure that our corps members can pursue advanced degrees that allows them to go on in leadership capacities and to further better their practice.

I want to speak to a couple of issues first related to guidelines along the issue of professional service corps. Teach for America, as you know, is a successful program insofar as it impacts low income communities within our educational realm. We believe that the current guideline's disadvantage, however, professional corps such as ours. Our corps, along with other professional corps, are unique since our corps members are hired and paid by outside entities, in our instance through the Chicago Public Schools, and those situations demand that our corps members be focused very much on fulfilling the demands of their professional positions as opposed to other obligations, and we continue to believe that as such a program, along with other professional corps, that our program is sufficiently different from other AmeriCorps programs to the point where it necessitates a separate set of guidelines for professional service corps.

We believe that those professional service corps should be measured on two critical criteria; first would be the success of the program as measured against the standards of the profession, and the second would be the impact that the program has on its participants and its corps members as measured by the ongoing civic commitment and leadership capacity of those alumni.

While we would like the corps members of the corporation to continue its efforts to insure that a wide diversity of program types receive funds, we would ask that in evaluating the professional service corp's cost effectiveness be continually made the tie-breaking factor in making those decisions.

The second issue that I wanted to speak to, and more briefly, is the issue of time limits. We appreciate that the corporation has not included time limits on AmeriCorps programs that would force them out of AmeriCorps after a certain number of years, and we believe that arbitrary time limits, if imposed, would undermine the current competitive nature of the grant making process, and thus would limit the corporation's ability to fund highly effective programs. I very much appreciate it, and I thank you for coming to Chicago and giving us the opportunity to testify.

Ms. Van Der Veer: Great. Thank you, John.

Any questions for John, David?

Mr. Eisner: Is your testimony -- or is there TFA testimony that outlines with specificity where the advantages are in the current guidelines?

Mr. White: Yes.

Mr. Eisner: And if -- I am trying to figure out how to make this a clarifying question. Are you testifying that the only solution to dealing with those disadvantages is a completely new set of guidelines, or are you testifying that we either fix those particular disadvantages or issue new guidelines?

Mr. White: I am testifying that we are advocating for a completely separate set of guidelines insofar as we believe that is the optimal solution. To your first question, there will be testimony, and I think that there already -- I know that there has already been testimony that speaks more specifically to the specific character of the guideline, the nature of the specific components of the guidelines that we are speaking of, but that will be detailed in written testimony.

Mr. Eisner: As you advocate a -- to the extent that you advocate a separate set of guidelines, are you implying that you would support setting aside a certain pool of funding for professional corps, or are you saying that professional corps supply a different guideline but are still competing for the larger pool of funding?

Mr. White: I wouldn't want to be on the record as supporting one or the other. I mean, I think that's an internal issue that -- we are thinking, though, in terms of the nature of what is going to insure the most appropriate application process and what is going to ease our program operations, and I don't know that my understanding is nuanced enough to address your question.

Mr. Eisner: Thank you.

Ms. Van Der Veer: Great. Thank you very much, John. Peter, you are the next speaker.

Mr. Pickus: Thank you. My name is Peter Pickus. I am the deputy director of City Year Chicago. City Year is a national organization operating in 15 sites throughout the United States. It has been receiving AmeriCorps funds since the beginning of AmeriCorps. In Chicago this is our eleventh year. Nationally this year, actually today, we will be initiating 1,042 new AmeriCorps members into the family. They will be standing on the shoulders of 7,500 City Year alumni around the country. In Chicago we will be welcoming 69 of those 1,042 people, and they will be standing on the shoulders of 500 who previously served in Chicago. This year of our 69, 21 are receiving formula funds in a grant from the state and the other 48 are serving through an ED award only given to us by NAST.

I am going to tell a quick story, and I apologize that I am not going to be directly on point, but I promise that I will get back to point. I joined City Year about a year and a half ago after about a 15-year career in the private sector, and I studied the non-profit community for about ten months before I made the commitment, and I looked at it from a number of vantage points. I looked at it from the foundation side, I looked at it from the association's side, I looked at it from the funding community, I looked at it from the serving community, and what may be most helpful in deciding to make the move from the for-profit sector to the non-profit sector was the marketplace or the market dynamics that were taking place in non-profits, the idea of competitiveness, the idea of results orientation.

The idea that 98 percent of our funds go to programs isn't as important as what those program funds actually do and the outcomes the programs provide, and one of the reasons that I joined City Year was I felt that City Year was on the leading edge from a serving organization, being able to measure its outcomes on -- putting a lot of emphasis on being able to measure outcomes, and when we look at some of the criteria that are being evaluated, some of the rules that are being evaluated this coming year, I feel that AmeriCorps is taking a step in the other direction, and now I will try to get into some of the specific points.

When we look at using cost per FTE as a higher percentage criteria in evaluating programs, that says to me that we are going in the other direction, that program performance is going down a notch, costs for FTE is going up a notch, and I think what should be rewarded, and what our other funders and what the private sector is telling us at City Year is that we want to see the results that you provide.

So I feel that's a step where AmeriCorps is leading us backwards as opposed to forwards. I feel the same is true when you look at the stipulation about mandatory independent evaluations for large programs, which City Year is one. One of the things that we have found as we try to get a better handle on our program outcomes is that for every layer we can peel back that onion and reveal more and study more the outcomes, it poses as many questions as it does answers. So we are spending a lot of our time, a lot of our effort and a lot of our resources already in continuing to refine our outcome model, our ability to measure our outcomes. Having to invest more in additional responsibilities regarding program evaluation is probably an additional burden that we would love to be able to spend those hours and those resources and those dollars actually into our programs as opposed to further into evaluation, and I also feel that it comes into play when we look at both the match requirements from existing programs as well as the match requirements for growth into new communities, and by that it's because -- I agree with the woman from Jump Start who said that market competitiveness should help drive growth both within an organization and as organizations grow to new communities, and I think that by requiring the match in both cases it has the opportunity potentially to limit those opportunities for programs like City Year.

And what do I mean by that? We would love to have been where our growth projections were three years ago in Chicago. We would love to have been at about a 150-person corps this year, which was our goal three years ago. We look to AmeriCorps as an organization that could help us lead that growth. Calling on the private sector to be the leading agencies is a very difficult proposition. Our funders like being part of a public/private partnership, and they value the fact that the government is involved with City Year and that we have the Federal government's backing, and for our ability to grow, it's really important that we continue to be able to show that partnership in a strong and meaningful way, and that the growth may be necessarily led by the government and followed by the government. Thank you.

Ms. Van Der Veer: Thank you, Peter.

Mr. Eisner: Thank you, and congratulations on today's opening.

Mr. Pickus: Thank you.

Mr. Eisner: It's exciting, especially in Chicago, which has had a tough year. Thank you. I want to follow-up on a couple of points. You noted that from your perspective rules take program performance down a notch, cost for FTE up a notch, and you don't think that's appropriate. I want to be able to -- I don't want to put words in your mouth. It sounds like you agree that cost or cost-effectiveness is an appropriate thing to be measured, but your problem is not that we are using it as a competitive criteria but that we are overvaluing it?

Mr. Pickus: Correct.

Mr. Eisner: Thank you. You noted that City Year is investing a lot of money in evaluation, which is terrific, and then you read the rule to require that you do evaluation in addition to what you are currently doing, and somehow your current investment and evaluation would not be compliant with what the rule states. Can you clarify why that is?

Mr. Pickus: I can try. It's not necessarily that it's not necessarily in compliance. It's the idea of the mandatory independent evaluations. My understanding is that it would still require additional -- whether that's management time, just to be a part of that process, to be facilitating that process, is time that -- any minute that we have to do the outside independent evaluation is time that would be better spent in our programs.

You know, the idea of the market dynamics taking place in non-profits in my mind is driving every non-profit to do a better job of evaluation, and I feel that the large programs, in particular, are going to have to be on the leading edge, or they are going to disappear off the landscape, and that's the way that it should be, but to continue to add more barriers or more steps for our large programs, more hurdles to jump --

Mr. Eisner: That's what I am trying to get to. I am trying to understand why you think that you aren't already meeting this requirement with your investment evaluation?

Mr. Pickus: I guess it's because we are doing it on our own. We are doing it because we feel that our funding community is asking for that. It's not necessarily that there is any independent evaluation going on.

Mr. Eisner: So when you say you are investing, it's your staff time?

Mr. Pickus: It's staff time, it's consulting fees, it's --

Mr. Eisner: Consulting fees, then, that's where you start -- well, okay. We don't need to keep -- so you feel that -- I would be very interested if there is a way of following up on you articulating how what you are doing is strong and wouldn't get to, because I think that what we are trying to get to is making sure that the programs get evaluations and you are doing the evaluations. So I would want to see why your doing does not comply with what we are asking. So if you can be specific on that.

Finally, you note that funders like being part of a public/private partnership, and I want to make sure that I understand it. Are you saying that in an environment where the Federal government starts funding somewhere on the order of between 80 and 75 percent of the program and ends up supporting dollar for dollar basically providing, you know, a hundred percent challenge grant that somehow that does not cost to the public/private partnership?

Mr. Pickus: No. That's not what I meant. My point was that the growth factor is the difficult piece. We have a stable group of funders, and we are always trying to grow that group of funders, but it's an incremental growth. Our preference is not to grow it incrementally. We have a strong program. We have a strong history of results. We would like to be able to grow it even faster than we can by relying primarily on private sector funds, and if we can -- if that 50 percent number was not 50 percent match for program on City - we have been around for 11 years - then we could call on AmeriCorps to look at our track record, look at our proposal and help us grow more quickly, and it's easier for us to get the corporate dollars to follow.

Mr. Eisner: Thank you.

Ms. Van Der Veer: Thank you, Peter. Before the panel leaves, I want to ask David if there are any last questions for any of the Panel?

Mr. Eisner: Oh, I am sorry. Tom, I did have one more question for you. You mentioned in your testimony that there was -- I'll kill that fly. You mentioned in your testimony that there was some years ago a breakdown of different ways for reporting matching, including the cost allocation that ended up -- that would have provided more incentive for programs to -- I was just hoping that you know somewhere or you can send to us that proposal so that we can make sure that we see it or look at it.

Mr. Devine: There were discussions by the corporation, by state commissions, by programs about looking at ways that we could do exactly that. You know, it was at a time when the corporation was asking for programs to report all of the funding, and people are going from their end, "Well, wait a minute now. You are going to limit us by asking us to report it all?"

So I am not sure that there is anything in writing. I guess the place that I would ask to have some discussion maybe from the CNS is go to Jim Fitch.

Mr. Eisner: I understand that you actually submitted testimony. If there is any additional piece of your recollection that you can send to us that we can make sure that we sort of get whatever nuances existed in that conversation about the discussion, that will be helpful. Thank you.

Mr. Devine: I will be happy to.

Ms. Van Der Veer: Okay. Thank you to all of our three speakers, and we will have our next three speakers come on up, and that would be Joe Smith, Maureen Meehan and Shelly Maxwell, please.

Ms. Maxwell: I am sorry. Shelly and I will not be presenting a case. I thought that we were just signing in. I didn't mean to --

Ms. Van Der Veer: Oh, okay. There is no pressure here. If you are not so inclined to join Joe up here, Joe can hold court himself I know well. Well, then just let me raise this issue now. Is there anyone who would like to join Joe up at the table who did not previously register to speak? Okay. Joe, go ahead. It's all yours.

Mr. Smith: Let me welcome you to the Midwest, and it's a surprise that I am here as well to speak. My colleague, Kitty Burcsu, from Ohio could not get on an aircraft in time to be here. So she asked me to share her thoughts in person for you. So I apologize for not wearing a tie. Generally, you know, I try to go along with my colleagues and wear a tie, but I drove up from Indianapolis. So I am not appropriately dressed. Forgive me for that. This testimony is presented on behalf of Kitty Burcsu, the executive director of the Ohio Community Service Council. She, like I, wants to say good morning and express appreciation for your appearing in the Midwest to hear comments that we have in regards to the rule-making process.

Her comments today will focus on three topic areas: Ambiguity of any aspects of the proposed rules and the need for clarification, the exclusion of planning grants in calculating per member cost, and implications of proposed rules for this commission and for subgrantees.

Ambiguity in Need For Clarification.

Ambiguity is a major concern throughout the proposed rules defeating one of the stated objectives of rule making; that is, to provide consistency, reliability and predictability for AmeriCorps grantees in the state commissions.

She has three specific concerns related to ambiguity. As a staff, the commission reviewed the proposed rules. There were many instances where we asked what does this mean. While I won't use this time to delineate them, they are attached for specific rules -- aspects and rules that we believe need further definition and explanation.

Secondly, I have related concern about clarity of expectations. For example, after the proposed rules went into great detail to explain the incremental increases in match requirement, all very clear, a statement follows that says, "We believe based on our research into current grantee match levels that it is reasonable to expect all grantees to achieve this level of matching, and we expect state commissions to continue managing their portfolios to achieve even higher match levels." Now, I take this to mean that while the bar has been set at one level, you really expect performance to be at a higher level. This is reminiscent of past experiences, but unspoken expectations, of specific percentages of volunteer generation, and memory retention rates were program selection criteria. I believe that the standard and the expectations needs to be the same. To insure transparency, I ask that you re-examine the proposed rules to match certain - or to make certain that the standards that you have published and your expectations are aligned.

Thirdly, while I seek clarification of the proposed rules, I also seek balance between clarification and prospectiveness. Even more, I seek a reaffirmation of a commitment often made by past CNCS leadership to divulge more authority to state commissions. The clarification that we seek could result in prospectiveness originally and further movement away from devolution to states. While we want a clear understanding of the rules and consistent interpretation and application, we as a state commission also want the authority to develop and manage our AmeriCorps resources to meet the unique needs of our state.

In the spirit of partnership we so often talk about, we must aim to that balance that will ultimately make the rules work for both of us. Exclusion of planning grants in calculating program or cost. A commentary on the proposed rules indicates that the corporation is

considering allowing commissions and calculating their average corporation costs per FTE to exclude some amount of planning grants from their budgeted grant cost in an amount to be determined by the corporation each year. Ohio has successfully, I might say Indiana as well, has successfully utilized planning grants for seven years to develop strong AmeriCorps programs. So we strongly support the idea of excluding planning grants from the calculation of programmer costs.

Further, I request that you not designate a specific amount or percentage, particularly when the amount or percentage is subject to change on an annual basis. The ability to use an unrestricted amount of formula funds for planning grants and not having included in the calculation per member cost will allow us and other state commissions to, one, falsely plan; two, respond appropriately to the application pool of any grant cycle; three, cultivate programs that will meet the unique need of our state, and, four, fully utilize a viable tool in growing strong AmeriCorps programs. In the spirit of devolution, this also maintains the state decision-making authority over its formula funds.

Implications of The Proposed Rules.

As we have reviewed the proposed rules in addition to asking the question: What does this mean? We have also asked the question: What does this mean for our grantees and for us as state commissions? We have concluded that for our grantees the increasing match requirements will definitely be an issue. Each year a new requirement is added to the already complex operation of AmeriCorps programs, volunteer generation, citizenship training, the logic model, et cetera. Programs for the most part have successfully incorporated all of these new elements. The requirement of increased match is more difficult to incorporate, more time and skill will be needed on somebody's part to raise the required match. It is a difficult, time-intensive consuming activity, and we will lose some of our programmatically strong veteran programs as a result. While that remains to be seen, it is very possible. Some may view the increasing match of a program in addition to managing the complex program with a multitude of administrative requirements.

The rest of her comments are being submitted to you in writing, but that's some of the comments that we and other state commissions have offered for your consideration. I'm sorry that I can't answer your questions.

Mr. Eisner: Yeah. I was going to grill you.

Mr. Smith: Fire a way.

Mr. Eisner: I thank you and thank Kitty.

That was very helpful, and I am looking forward to seeing the rest of it. I will just add, and I will find a way to send this to Kitty as well, but, again, all of the places where folks are seeking clarification, noting it is helpful, but what is really helpful is articulating for us how you would like that clarified.

One of the -- these are draft rules. And so a lot of points of clarification are going to be things that sort of haven't been anticipated. We are pushing this stuff down, and so as folks can articulate how they hope greater clarity would be derived, that would be real helpful.

Mr. Smith: We are going to say about VISTAs, how long could a VISTA be available; one year or two years? Have you decided how long could a VISTA be available to assist in fund-raising, organizing funds?

Mr. Eisner: Right. And something like that is a suggestion of whether that kind of ameliorating thing should be on an annual basis or that would meet two years. You know, that would be very helpful feedback to get from you.

Mr. Joe Smith: Thank you.

Mr. Eisner: Thank you.

Ms. Van Der Veer: Thank you, Joe. Okay. Last call. Is there anyone in the audience who would like to make a public statement before we close this official public hearing?

Mr. Eisner: Okay. So we will wrap it up. I want to thank you and thank all of the folks in all of the states that we have been in. The comments have been so extremely helpful, and I personally and everyone in the corporation appreciates the effort that people have gone to to make the comments constructive. We understand that these rules necessarily engage issues which people can have very strongly differing views.

Without exception, the comments that we have gotten have been delivered to us in a way that's most helpful for us to be able to move forward. They have been extremely accessible to us to be able to find the exact point that we need to be considering and clarifying, and I am pretty confident that not only won't everybody be satisfied, but no one will be completely satisfied with the outcome, but I am also confident that when you do look at the final rules, that you will recognize the extent to which we have paid very, very careful attention to what we have heard.

Thank you very much for your time and for engaging in this for all of the rest of your colleagues and the hundreds and hundreds of thousands of AmeriCorps members that are hopefully going to be going through this program in the future. Thank you.